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Program enables \$1 billion in NNSA and DOE EM prime contractor savings

Working together, the sites are eliminating inefficiencies, improving operational cost management, and contributing to a resilient, more agile, and effective supply chain

KANSAS CITY, Mo. (August 27, 2020) – A U.S. Department of Energy acquisition program managed by Honeywell’s Federal Manufacturing & Technologies (FM&T) business has enabled more than \$1 billion in savings by National Nuclear Security Administration (NNSA) and DOE Environmental Management (EM) prime contractors across the country.

Honeywell FM&T President Eric Wollerman said, “This is a once in a lifetime milestone. It speaks to the value and deep commitment Honeywell and all NNSA and DOE EM contractors place on being good stewards of taxpayer dollars.”

The [Supply Chain Management Center](#) (SCMC) was founded in 2006 as the official enterprise acquisition program of the NNSA. EM prime contractors began working with the program in 2013. It’s designed to more effectively manage \$5 billion of annual purchases across the enterprise through collaboration: shared services, digital procurement tools, and implementation of multi-site commodity agreements for products and services, such as safety equipment; electrical supplies; office and high-performance computer technology; and, management and business services.

“What we’re really about is enterprise strategic sourcing,” said Scott Bissen, senior director of the SCMC. “The SCMC uses the combined purchasing power of the sites to source strategic partners in a more focused way. That makes life easier for buyers at the site level, leaving them more time – and the contractors more money – to invest in local challenges and their core missions.”

While the program began in 2006, it initially relied on savings estimates. In 2013, the sites began reporting actual invoiced savings from the use of SCMC-provided multi-site and enterprise-wide agreements, as well as those generated through the use of digital procurement tools. It’s those actual enabled savings that make up the \$1 billion in savings announced today.



SCMC Senior Director Scott Bissen (photographed left) presented NNSA Kansas City Field Office Acting Site Manager Jeff Shoulta (photographed right) with a ceremonial check for \$1 billion on behalf of the participating NNSA and DOE EM prime contractors and related sites.

“SCMC’s tools and services provide built-in cost avoidance,” said Jeff Shoulta, acting site manager for NNSA’s Kansas City Field Office. “It’s one of our best success stories.”

Some of the most visible savings have been generated through SCMC’s sourcing tool, which allows buyers to consolidate proposals, quotes, and bids from various suppliers into one central online hub for easy comparison. It also allows the suppliers to receive real-time, transparent feedback to facilitate the submission of their Request for Proposal responses. That helps level the playing field for small businesses by limiting proposers’ bidding expenditures through improved networking and reduced marketing and proposal costs.

DOE EM and NNSA are committed to small business

“We especially value our relationships with small businesses,” said Bissen. “In terms of annual award value, more than 75 percent of current SCMC agreements have been awarded to small businesses nationwide.”

Bissen added NNSA and EM’s nationwide supply chain represents a real opportunity for small businesses looking to grow outside of their traditional markets, whether through organic growth or teaming opportunities. “High quality, technically superior, and competitively priced small business suppliers can be and have been selected for multi-site and enterprise-wide agreements,” he said. The SCMC has [included additional small business resources and insights](#) on its website.

The program continues to identify new ways to support cost avoidance and cost savings with the sites, most recently through the introduction of a Small Business Program Resource Center, which provides collaborative policy, procedural, analytical, market research, and other assistance to NNSA site small business program managers. The SCMC also has started targeting the development of more service-based commodity agreements and offering the latest source-to-pay procurement technology.

Near-term plans also call for the introduction of a Contractor Acquisition University, developed in partnership with the DOE’s National Training Center, to provide standardized, consistent, and repeatable acquisition training for prime contractors’ procurement personnel across the enterprise.

About SCMC

The [Supply Chain Management Center](#) is a service organization that works closely with Department of Energy contractors to leverage \$5 billion of annual spend, to yield lower prices and optimize business systems, providing cost savings and value to our customer, the DOE. It serves as a center of excellence across the enterprise, making life easier for buyers and sellers. The SCMC has helped enable more than \$1 billion in savings to taxpayers since 2006 by taking a common sense approach to strategic sourcing and leveraging common commodities and services for federal sites. The SCMC uses contracting criteria that ensures fair market competition resulting in the overall best value for contract awards while supporting the development of local, small and minority-owned businesses. Success is attributed to close working relationships with the prime contractors, as well a focus on achieving the mission and vision while measuring performance to established goals. Learn more at thescmcgroupp.energy.gov.

About the KCNSC

In Kansas City, Honeywell manages the National Nuclear Security Administration’s Kansas City

National Security Campus. This facility offers state-of-the art engineering, manufacturing, and sourcing capabilities that address complex national security issues. More than 5,000 Honeywell employees work each day to advance our core mission of ensuring the safety, security and reliability of our nation's nuclear deterrent. For more information, please visit: kcns.doe.gov.

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